The views expressed herein are those of the presenters. They do not necessarily reflect the views of Alpha Bank.

# Presentation to the University of Piraeus

## Department of Banking and Financial Management


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# Contents

# CIO Area at a glance…

## CIO Area

| Regulatory ALM | Business ALM |
| --- | --- |

- Asset Liability Management
- Capital Instruments and Securitizations
- Supervisory Affairs
- Capital, MREL, Recovery and Resolution Planning
- RWAs, Pillar I metrics and Regulatory Liquidity

## Impact on…

- Net Interest Income / Asset Allocation
- Capital, MREL, RWAs, ICAAP and EU-wide Stress Test
- Liquidity (LCR, NSFR), ILAAP
- Supervisory Scores (SSM & SRB)

# Contents

# Basic definitions (1/3)

The regulatory framework requires banks to have set aside enough capital and liquidity to cover the risks they undertake and remain solvent in a crisis

- **Capital Adequacy Ratio (CAR)**
  - ✓ As a main principle, the amount of capital required depends on the risk attached to the bank’s assets.
  - ✓ In the Regulation (EU) 575/2013, this is referred to as the own funds requirement and is expressed as a percentage of risk-weighted assets (RWAs).
  - ✓ The RWAs concept in essence means that **safer assets are attributed a lower allocation of capital**, while **riskier assets are given a higher risk-weight**.

The key metric for regulatory capital under Pillar I is the Capital Adequacy Ratio (CAR). The CAR compares the bank’s regulatory capital / own funds with its Risk Weighted Assets (RWAs) and is defined as follows:

$$\text{Capital Adequacy Ratio} = \frac{\textbf{Own Funds}}{\textbf{Risk Weighted Assets}}$$

- **Own Funds**

The capital is assigned certain grades according to its quality and risk. In this context, article 72 of the CRR defines own funds are the sum of Tier 1 capital and Tier 2 capital:

  - ✓ **Common Equity 1 capital (CET1)** which is of highest quality, most liquid, readily available for unrestricted use capital (e.g. share capital, reserves etc) and
  - ✓ **Additional Tier 1 capital (AT1)** consist instruments that in general are perpetual with no incentive to redeem (e.g. convertible preference shares, other hybrid securities etc).
  - ✓ **Tier 2 capital** (i.e. subordinated debt) is considered to be gone concern capital. The gone concern capital allows banks to repay depositors and senior creditors if became insolvent.

- **Risk Weighted Assets (RWAs)**

The Bank follows the standardized approach for the calculation of RWAs:

$$\textbf{Risk Weighted Assets} = \textbf{Exposure Value *} \times \textbf{Risk Weight}$$

**Exposure value of the on-balance sheet and off-balance sheet items*

# Basic definitions (2/3)

- **Minimum Requirement for own funds and eligible liabilities (MREL)**

  - ✓ MREL is the requirement that ensures that relevant EU institutions have sufficient loss absorbing capacity to support the execution of the preferred resolution strategy in case of failure.

  - ✓ Setting the minimum requirement for own funds and eligible liabilities (MREL) lies within the responsibilities of the resolution authorities. In the banking union, the SRB sets the MREL for each resolution planning cycle taking into account the final supervisory review and evaluation process (SREP) outcomes and relevant Pillar 2 requirements applicable in that year, as well as the previous year's balance sheet data (or later data if deemed necessary to reflect recent changes). MREL is tailored to each bank's specificities and is determined taking into account among others the bank's size and complexity, business model, funding model and risk profile.

  - ✓ While MREL is considered a separate minimum requirement set by resolution authorities and which applies to an institution in parallel with other prudential minimum capital requirements, its calibration is linked to the applicable prudential requirements as some of its components refer to the latter (i.e., Pillar I, Pillar II, prudential buffer requirements).

  - ✓ **MREL is expressed as two ratios** that have to be met in parallel:

    i. as a percentage of the **Total Risk Exposure Amount** (TREA) - the MREL-TREA;

    ii. as a percentage of the **Leverage Ratio Exposure** (LRE) - the MREL-LRE

    and it is composed of a loss-absorption amount (LAA) and a recapitalization amount (RCA).

  - ✓ The MREL compares the Group's own funds and eligible liabilities with the risks that it undertakes (RWAs) and is defined as follows:

$$\text{MREL Ratio} = \frac{\text{Own Funds and eligible liabilities}}{\text{Total Risk Weighted Assets}}$$

# Basic definitions (3/3)

- **Liquidity Ratios**

Liquidity risk is conceptually divided into:

- ✓ **Funding liquidity risk**: the risk that a bank will be unable to meet its current and future cash flow and collateral needs without affecting its daily operations or its financial condition.
- ✓ **Market liquidity risk**: the risk that a bank cannot easily offset or sell a position without incurring a loss because of inadequate depth in the market.

Two key liquidity ratios that banks are required to comply with:

- **Liquidity Coverage Ratio (LCR)**

  LCR requires a banking institution to maintain a stock of high quality liquid assets (HQLAs), of at least 100 percent of its total net cash outflows over a 30 days time horizon

  i. **Nominator → High Quality Liquid Assets** (HQLAs)
     - ✓ Asset items considered HQLAs should fulfil both General (eg. be unencumbered, be liquid, not issued by another credit institution) and Operational Requirements (eg. appropriately diversified, readily accessible by the bank, being monetized at least once a year)
     - ✓ Each asset item contributes to final HQLA figure, by a weight applied to its market value

  ii. **Denominator → Net Outflows = Outflows minus Inflows**
     - ✓ Outflows stem from liabilities balances, on which a range of factors are applied. Each factor is proportional to the likeliness that this particular liability may incur outflows
     - ✓ Inflows stem from asset balances, on which a range of factors are applied. Each factor is proportional to the likeliness that this particular asset may incur inflows

- **Net Stable Funding Ratio (NSFR)**

  The NSFR is aimed at harmonizing how many stable, long-term sources of funding a bank requires to weather periods of market and funding stress over a 1-year period.

  The NSFR is expressed as a percentage and sets a minimum level of 100% which indicates that a bank must hold sufficient stable funding to fully cover its funding needs during a 1-year period under both normal and stressed conditions.

  i. **Nominator → Available Stable Funding (ASF)**
     - ✓ The amount of available stable funding is calculated by multiplying the institution's liabilities and own funds e.g. (Tier 1 / Tier 2 Capital, ECB Funding, deposits) by appropriate factors that reflect their degree of reliability over the one-year horizon

  ii. **Denominator → Required Stable Funding (RSF)**
     - ✓ The amount of required stable funding is calculated by multiplying the institution's assets and off-balance-sheet exposures e.g.(bonds, loans, undrawn credit facilities)by appropriate factors that reflect their liquidity characteristics and residual maturities over the one-year horizon

# Q1 2026 results

## Q1 2026 Group Results

| | | | |
|---|---|---|---|
| **Set strong profitability foundation** | Reported Profit After Tax | €182mn | (17%) |
| | Normalised Profit After Tax | €221mn | (6%) |
| **Resilient Top line & Growth in Fees** | Net Interest Income | €416mn | +5% y/y |
| | Fee services income | €140mn | +29% y/y |
| **Low NPE ratio & Cost of Risk de-escalation** | NPE ratio | | 3.7% |
| | Cost of Risk | | 44bp |
| **Increase in customer balances** | Performing loans | | +11% y/y |
| | Customer funds | | +18% y/y |
| **Excess capital growth allows for distribution** | Organic capital generation | | +25bp |
| | Growth in Tangible Book Value[4] | | +10% y/y |

Return on Tangible Equity[1]
**12.6%** or 8.6% reported

Earnings Per Share[2]
**€0.08** or €0.06 reported

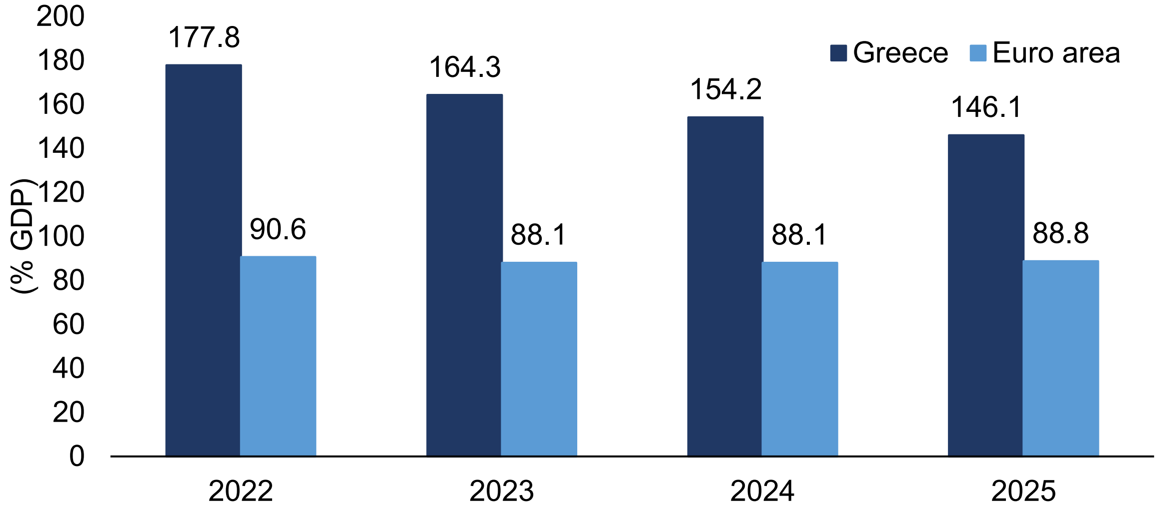
Fully Loaded CET1 Ratio
**14.7%**

Payout accrual[3]
**55% or €100mn**
of Q1 26 reported profit

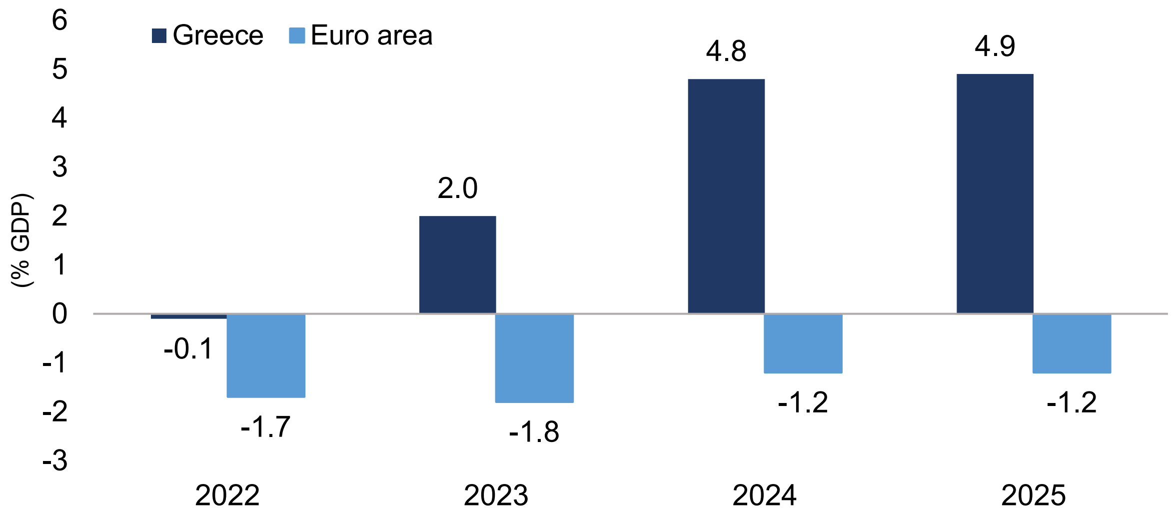
1| Based on normalized profit after tax over average TBV; Calculated after deduction of AT1 coupon payments; Adjusted excluding capital above management target and dividends accrued but not paid; 2| Earnings per share Diluted; based on normalized profit after tax post AT1 coupon; 3| Subject to regulatory approval; out of which 111mn interim dividend was paid in December 2025; 4| Adjusted for dividend and buyback

# Greece entered 2026 with improved credibility and strengthened macroeconomic performance

## De-escalation of Public Debt




## Sizable primary surpluses, compared to deficits in the euro area




## Greek Economy Dashboard

**Real GDP growth**

**2.1%**

2025

*…outperforming the EA average (1.4%) for the fifth consecutive year*

**Investment growth**

**8.9%**

2025

*…accounting for the largest contribution to GDP growth for the first time in the post-pandemic period*

**Exports growth**

**1.7%**

2025

*…remaining on an upward trajectory since 2021 and reaching 40% of GDP compared to 22% in 2010*

**HICP inflation**

**2.9%**

2025

*…mainly driven by services but picking up in Mar-26 (3.4%) and Apr-26 (4.6%) due to Middle East war and rising energy prices*

**Unemployment**

**8.9%**

2025

*…breaching the 10% threshold after 15 years*

**Travel Receipts**

**€23.6bn**

2025

*…increasing by 9.4% to a new record high*

**Residential Real Estate**

**+7.8%**

2025

*…surpassing the pre-crisis peak*

**Sovereign Credit Rating**

**BBB**

Fitch, Nov-25

*…standing one notch above the investment-grade threshold*

**Economic Sentiment**

**105.7**

Apr-2026

*…receding in Mar-26 and Apr-26 but still exceeding the EA and EU averages since Jul-22*

Sources: ELSTAT, Eurostat, Bank of Greece, European Commission, Fitch Ratings.

# Value-accretive M&A accelerating our strategy: >9% EPS accretion at <100bps of Capital

| | | Announced | Closing | Full integration date | EPS | ROTE | Capital impact |
|---|---|---|---|---|---|---|---|
| Flexfin Member of Alpha Bank Group | *Fintech factoring platform enhancing our solutions for SMEs in Greece and Cyprus* | 28/01/25 | 05/08/25 | Q1 26 | Accretive in 2025 | n/a | Minimal |
| AstroBank | *Consolidating 3rd largest bank position in Cyprus with complementary franchise, doubling profitability and improving performance in the country* | 27/02/25 | 31/10/25 | Q3 26 | +5% in 2027 | + c.60bp | c. 40bp |
| AXIA | *Enhancing fee-generating capabilities by creating the leading IB platform in Greece and Cyprus expanding our corporate offering* | 31/03/25 | 16/12/25 | Q2 26 | + 1.4% in 2027 | + c. 15bp | < 20bp |
| Altius UNIVERSAL | *Strategic combination of insurance activities in Cyprus, between Universal Life Insurance and Altius* | 19/12/25 | H2 26 | 2027 | +2% in 2027 | + >30bp | c. 23bps |
| alphatrust hc | *Acquisition of 69.61% of Alpha Trust, a leading independent asset manager in Greece* | 07/04/26 | Q2 26 | Q2 27 | +1% | + >10bps | c. 17bps |

# Alpha Trust reinforces our leading position in Wealth Management

alphatrusthc

Acquisition of **69.61%** in **Alpha Trust Holdings** and **VTO**[1] for remainder.

Alpha Trust is a **leading independent asset manager** with **>€2.2bn of AuMs** (+19% CAGR 2022-2025) retail, private and institutional clients.

- **Expands client base**, including a meaningful number of **HNWI**[2], supporting further growth in AuMs
- Enhances product offering, with a **wider suite** of mutual funds and alternative investment solutions
- Supports the development of the **offshore wealth** proposition
- Addition of a **seasoned management team** and a strong pool of private banking and asset management professionals.

**Completion of the transaction** is expected by **end of Q2 2026**, subject to regulatory approvals

## M&A criteria fully met

**c. 1%**
EPS accretion

**>15%**
Return on Capital employed

**>10bps**
ROTE uplift

**c. 17bps**
CET1 impact

1| Voluntary Tender Offer; 2| High net worth individuals

# Q1 26 Group Balance Sheet

Group, € bn

Performing loans[1]

Customer Funds

Tangible Book Value

CET1 ratio


## Performing loans

- €0.5bn net credit expansion in Q4
- Growth continues to be driven by corporates

## Customer funds

- Deposit up €0.3bn in the quarter against seasonal trend
- AuM net sales at €0.2bn,

## Tangible Book Value

- Growth before payouts at 2% q/q and 10% y/y

## CET1 ratio

- 25bp of organic capital generation in the quarter, affected by RWA growth
- €100mn of dividend accrual

1 | Excluding senior notes, including CLOs. 2| Adjusted for dividend and buyback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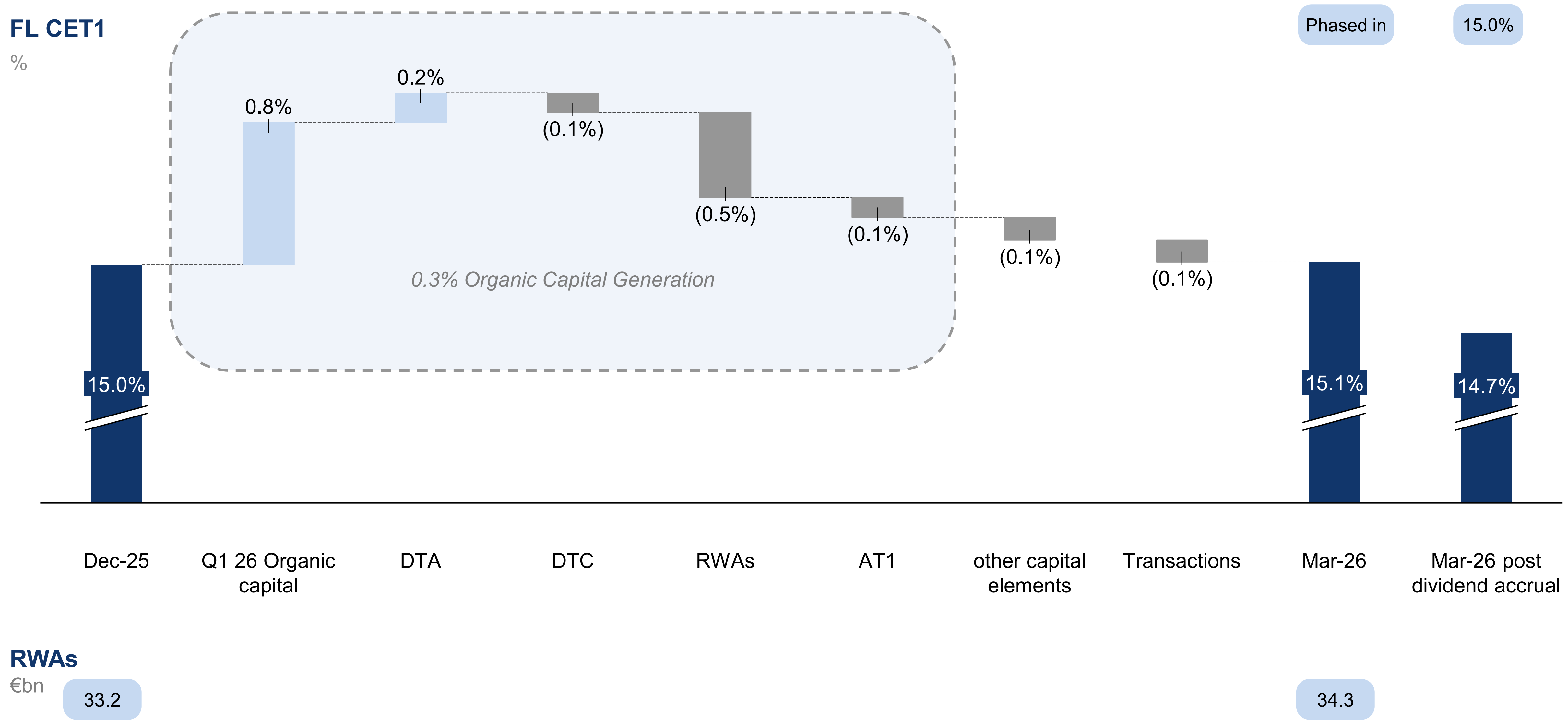
# Q1 26 evolution in Capital



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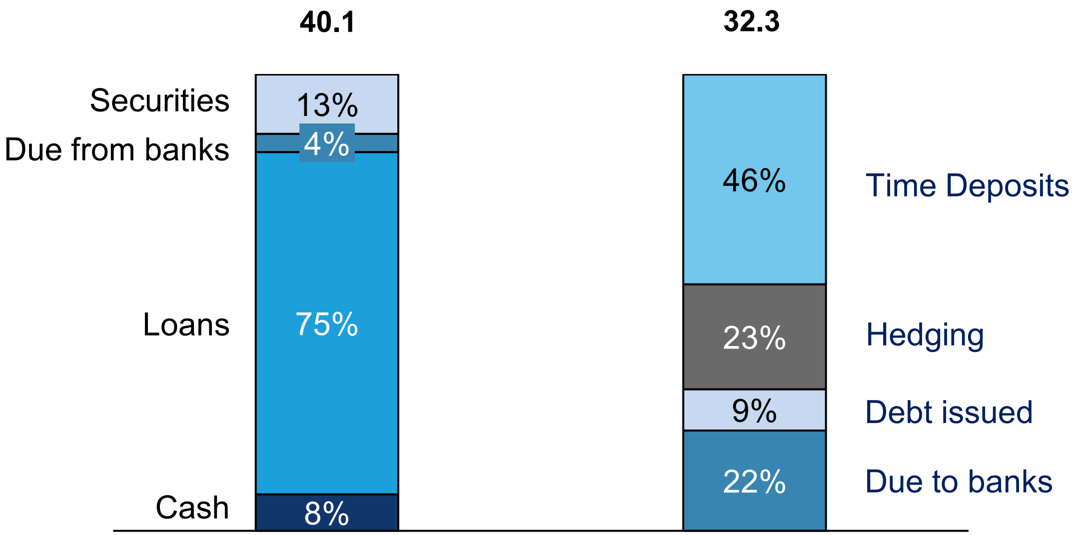
# Sensitivity to interest rates

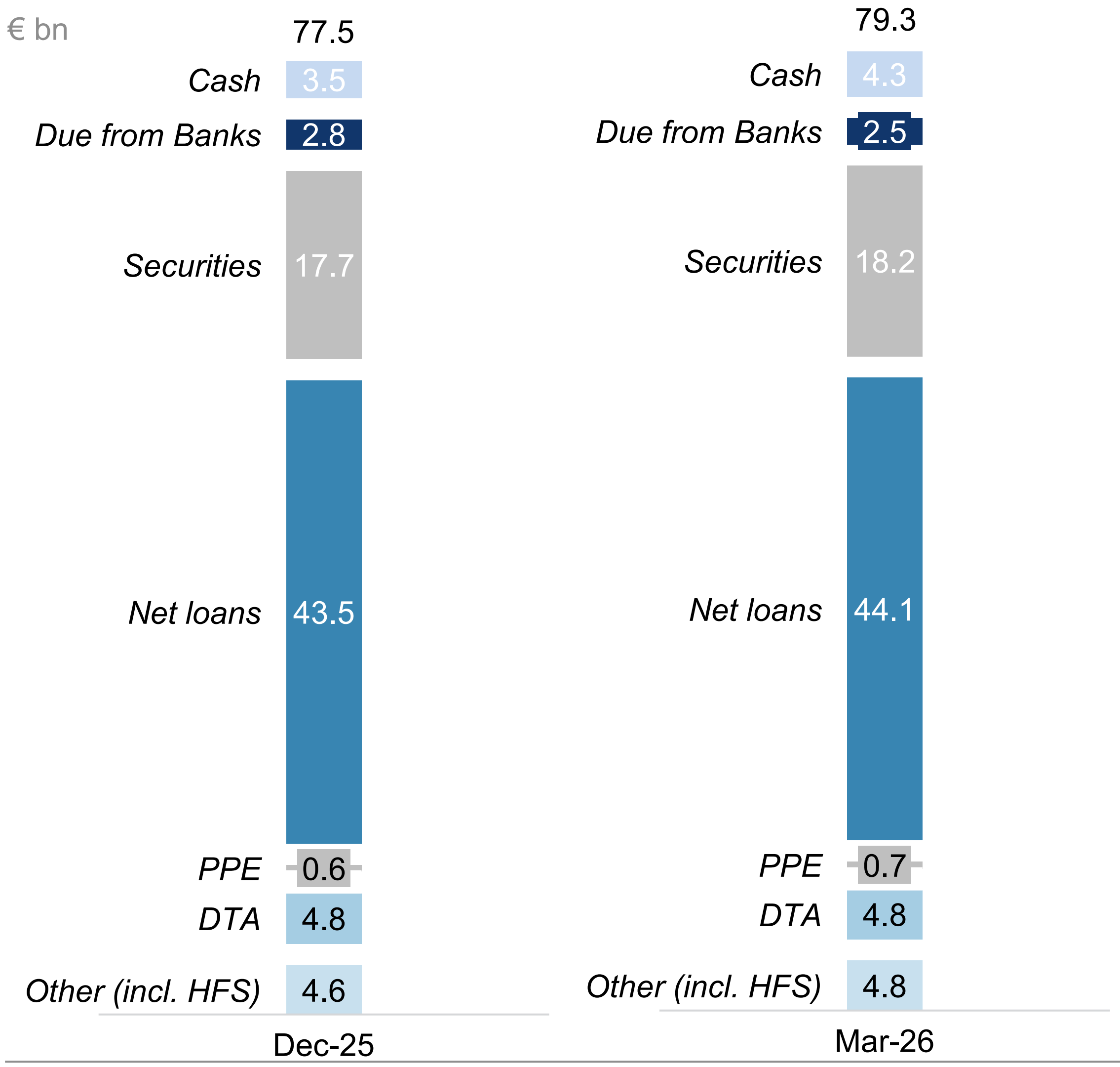
## Balance Sheet structure as of Q1 2026



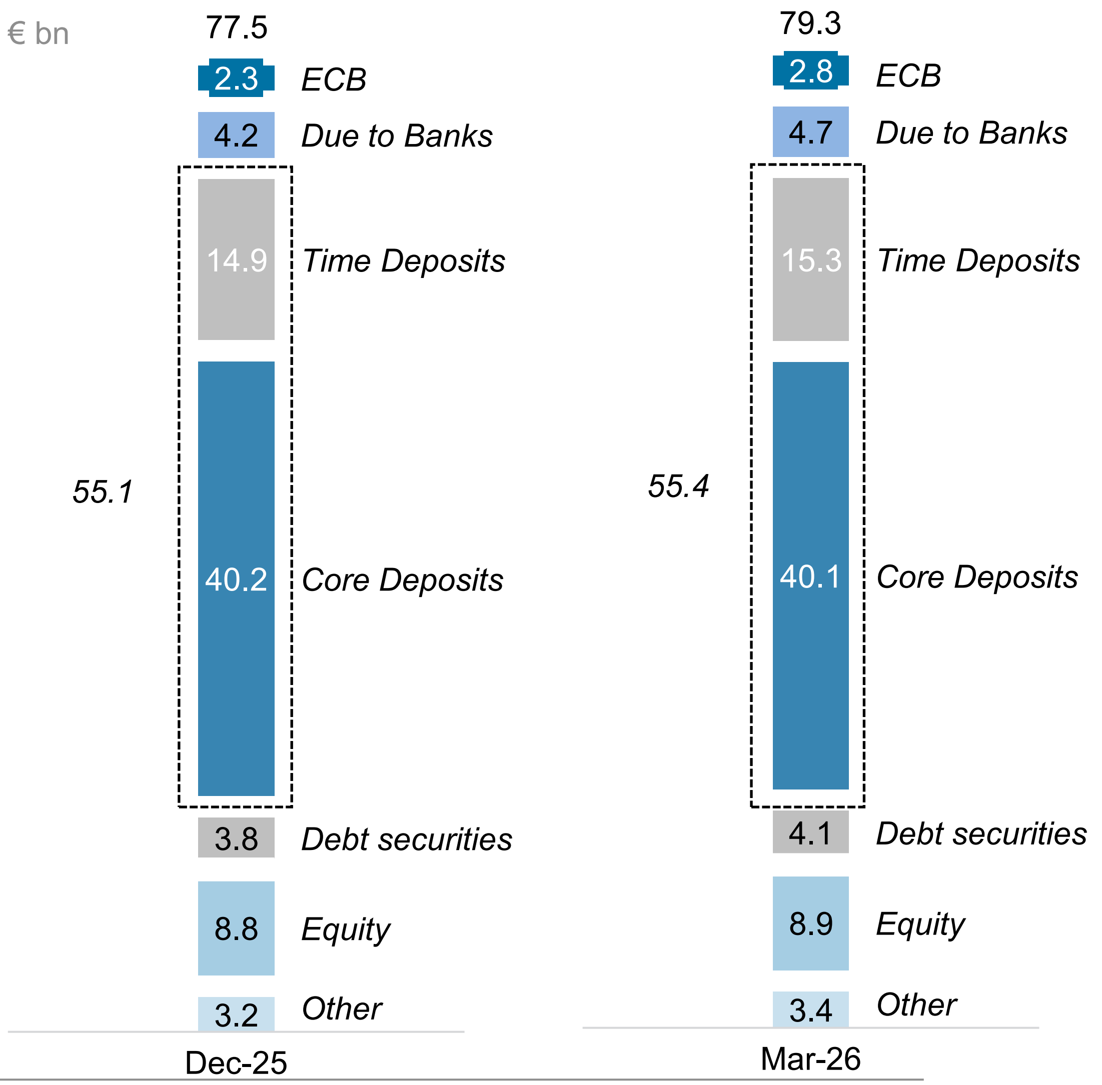

Floating rate Assets − Floating rate Liabilities = 7.8bn | c. 20mn per 25bp

# Balance sheet composition

## Asset split




## Liabilities and Equity split





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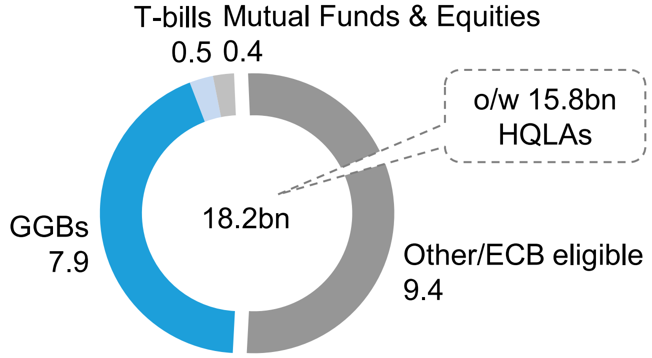
# Securities portfolio

## Securities portfolio

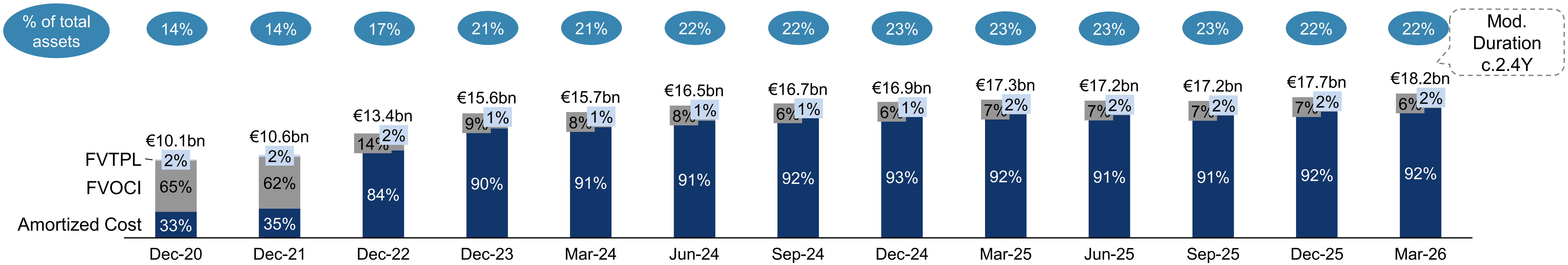
Group, Book value, Dec-25, € bn



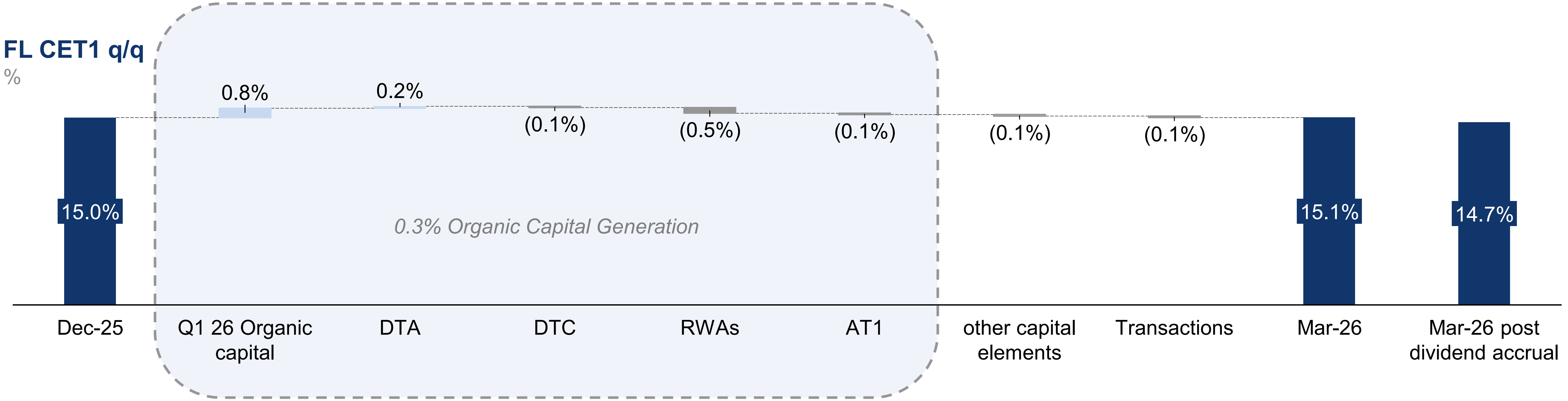

- The **"Other/ECB eligible"** bonds of €9.4bn is broken down to the following categories:
  - €5.6bn other **sovereign bonds**
  - €1.1bn **bonds** issued by supranationals
  - €1.4bn **bonds** investment grade bonds by other issuers
  - €1.3bn **bonds** issued by Greek corporates

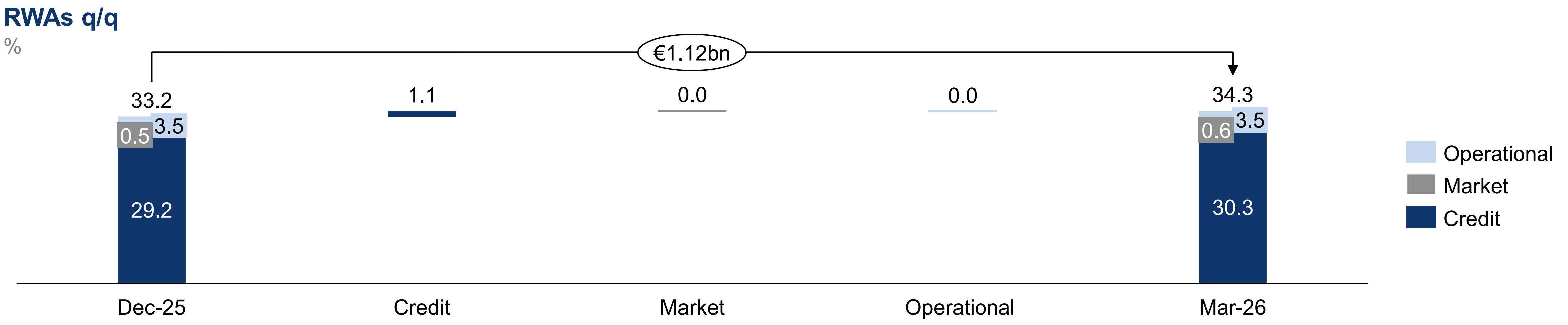
## Portfolios evolution

Group, Book value



# Quarterly evolution in Capital





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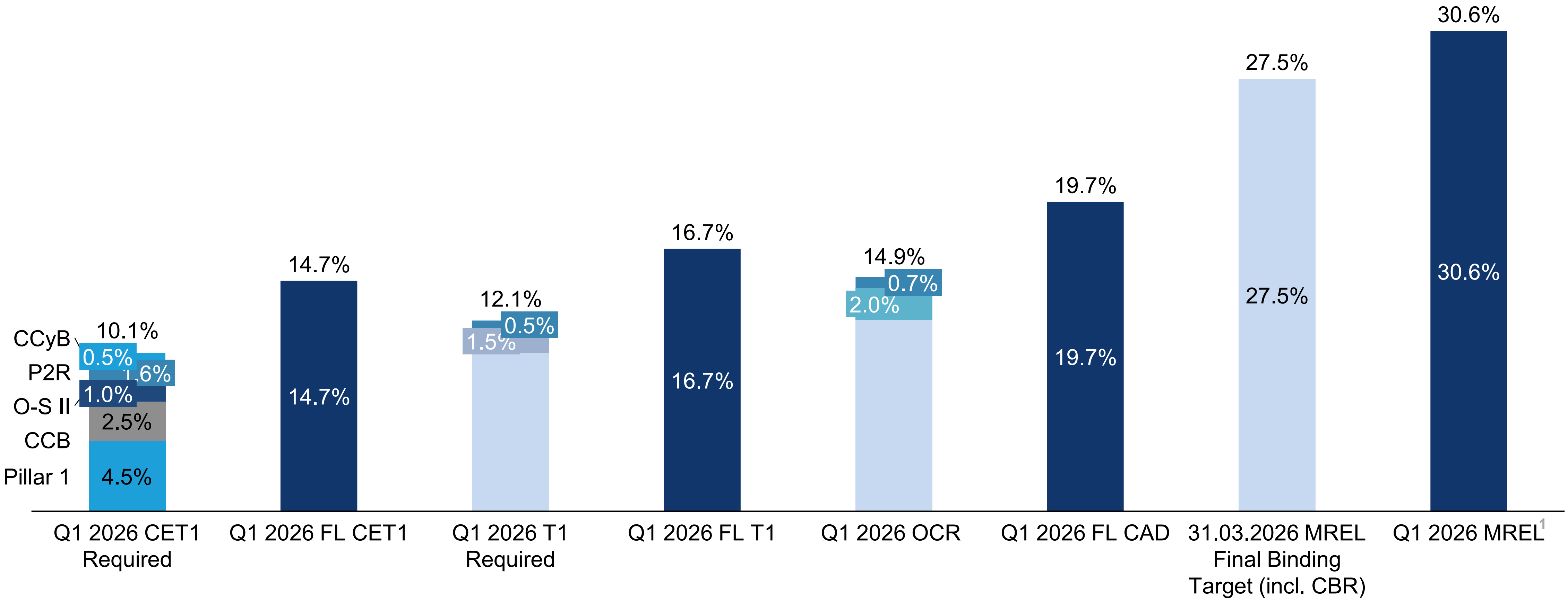
# Actuals and regulatory requirements



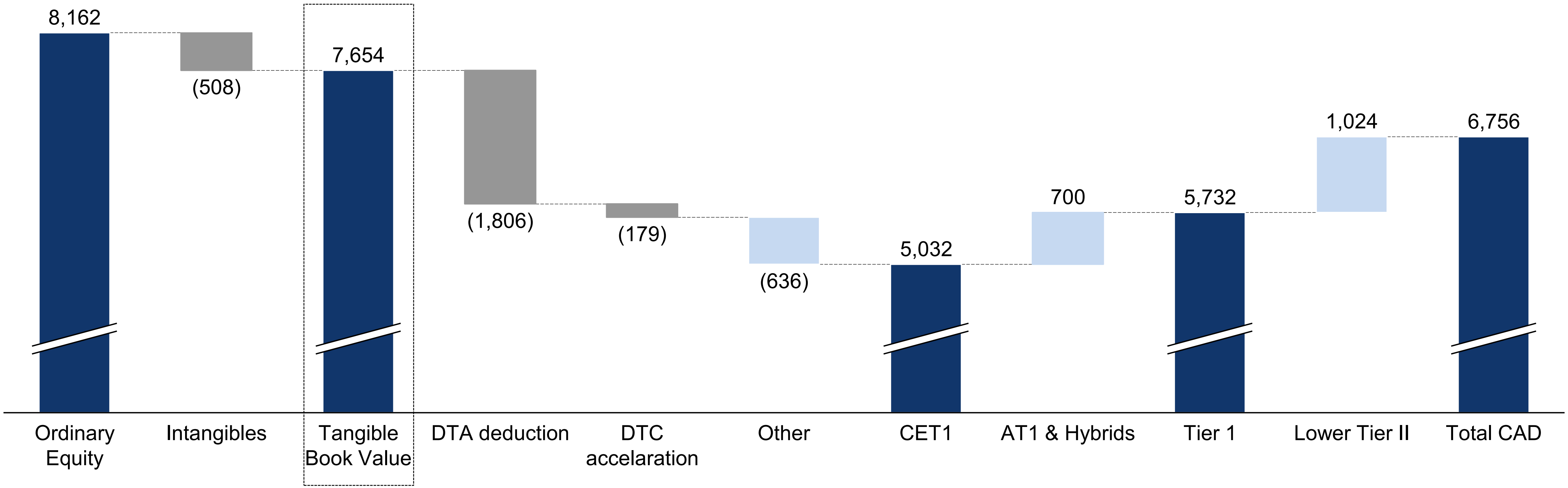

1| Pro-forma for the Senior preferred issuance.

# Regulatory Capital composition

## Equity to regulatory capital bridge

€ mn

9.7% Tangible book value / Tangible Assets



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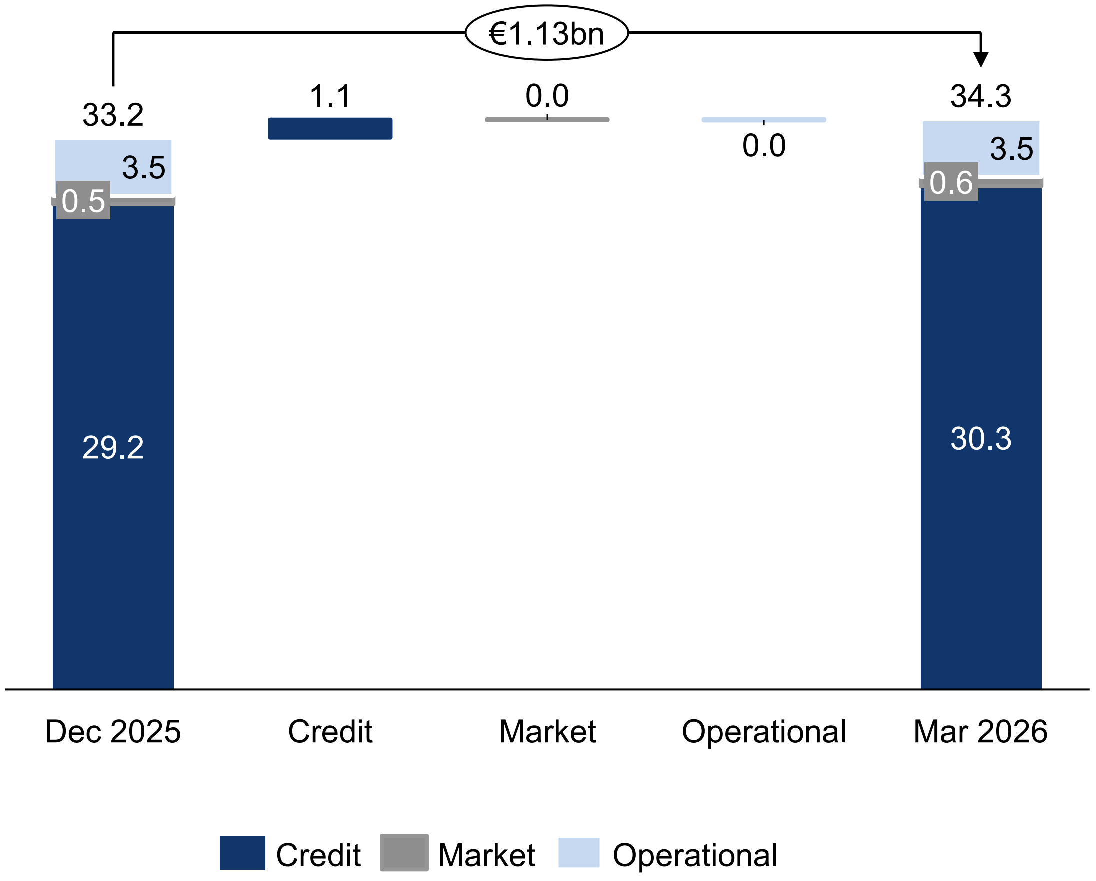
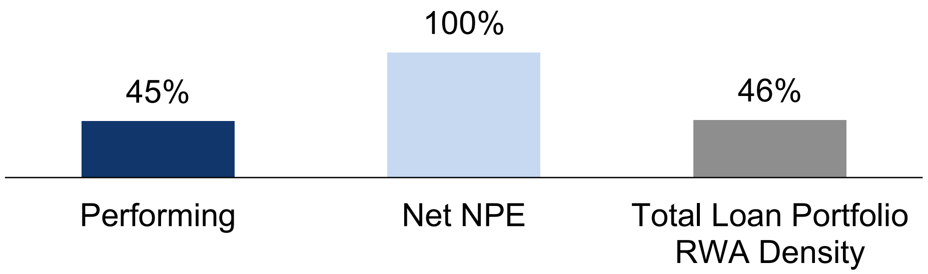
# Group RWAs and Regulatory Capital

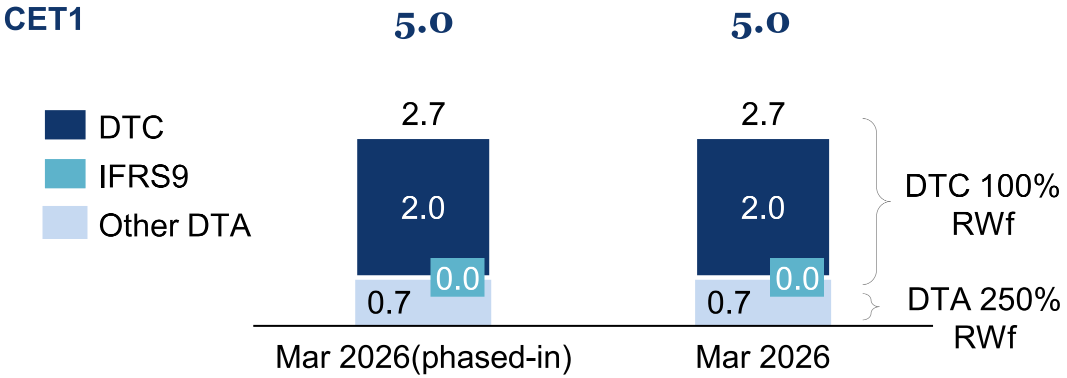
## Group Risk Weighted Assets evolution
€ bn




## Credit Risk Weights per portfolio
%




## DTA & Tax Credit with CET1 Capital
€ bn





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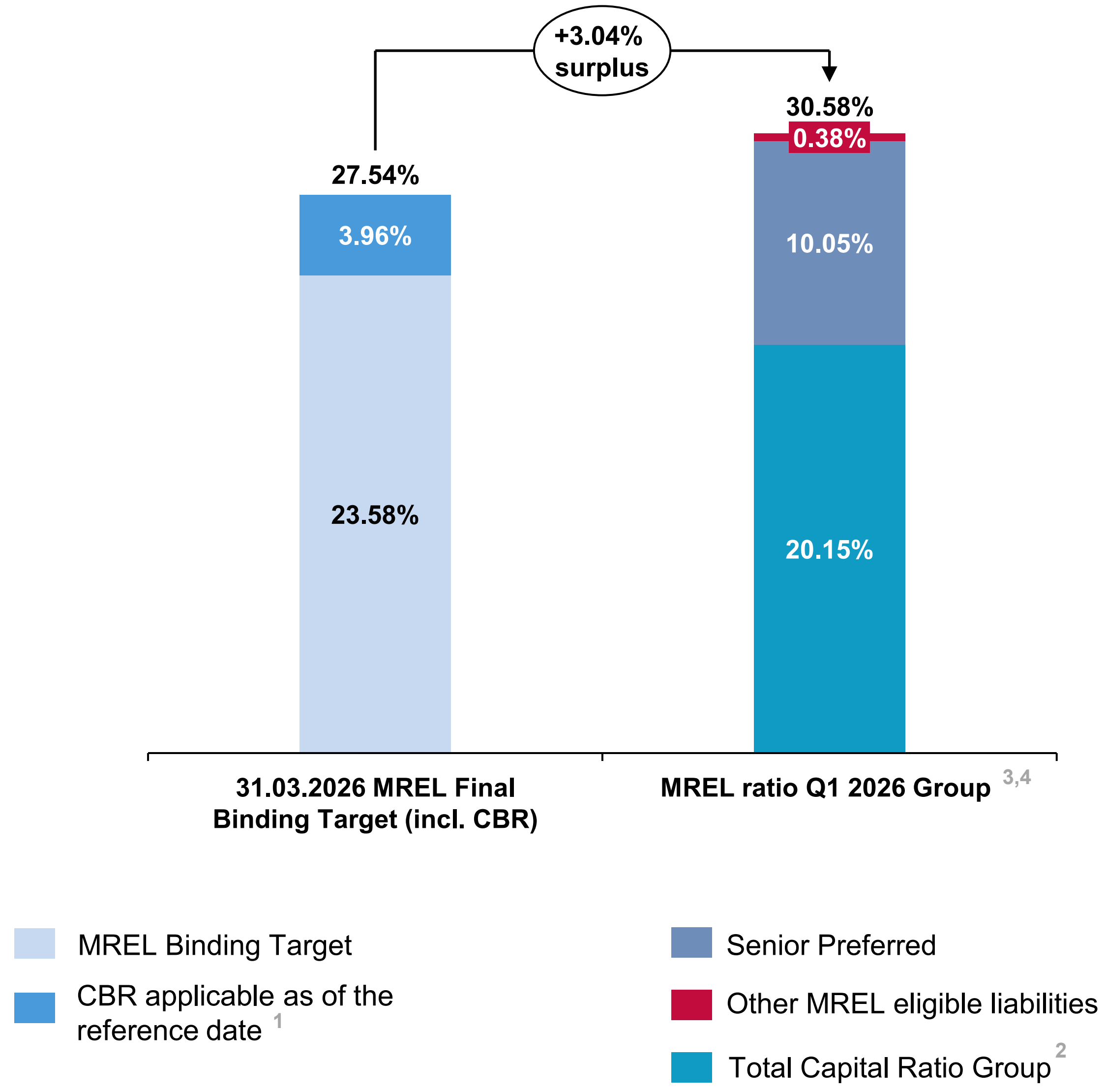
# Further progress towards meeting MREL Requirements




- No **subordinated MREL requirement**
- Expect Alpha Bank to continue to be a **regular issuer in the debt capital markets**

- **MREL ratio as of 31.03.2026 stands at 28.8%, well above the final MREL binding target of 31.03.2026 (27.54%).**

## Outstanding Debt Instruments

| Issuance date | Tenor | Size (€mn) | Next Call | Maturity | Coupon |
|---|---|---|---|---|---|
| **AT1** | | | | | |
| **08/02/2023** | PerpNC5.5 | 400 | 08/02/2028 | Perpetual | 11.875% |
| **10/09/2024** | PerNC6 | 300 | 10/06/2030 | Perpetual | 7.5% |
| **Tier II** | | | | | |
| **23/07/2025** | 11NC6 | 500 | 23/07/2031 | 23/07/2036 | 4.308% |
| **13/06/2024** | 10.25NC5.25 | 500 | 13/06/2029 | 13/09/2034 | 6.00% |
| **Senior preferred** | | | | | |
| **23/09/2021** | 6.5NC5.5 | 500 | 23/03/2027 | 23/03/2028 | 2.50% |
| **16/12/2022** | 4.5NC3.5 | 450 | 16/06/2026 | 16/06/2027 | 7.50% |
| **13/02/2023** | 6NC5 | 70 | 13/02/2028 | 13/02/2029 | 6.75% |
| **27/06/2023** | 6NC5 | 500 | 27/06/2028 | 27/06/2029 | 6.875% |
| **22/11/2023** | 6NC5 | 50 | 22/11/2028 | 22/11/2029 | 6.50% |
| **12/02/2024** | 6.25NC5.25 | 400 | 12/05/2029 | 12/05/2030 | 5.00% |
| **30/10/2025** | 6NC5 | 500 | 30/10/2030 | 30/10/2031 | 3.125% |
| **10/02/2026** | 7NC6 | 750 | 10/02/2032 | 10/02/2033 | 3.500% |
| **06/05/2026** | 6NC5 | 600 | 06/05/2031 | 06/05/2032 | 3.750% |

1| The Combined Buffer Requirement (CBR) applies on top of MREL target. 2| Including period profits. 3| MREL requirements applicable only to the Bank on a consolidated basis. 4| Pro-forma for the Senior preferred issuance

# Contents

# EVE & NII- IRRBB Stress Test

| Scenarios | ΔEVE | ΔEVE/ Tier I | ΔNII | ΔNII / Tier I |
|---|---|---|---|---|
| Parallel Up (+200bps) | | | | |
| Parallel Dn (-200bps) | | | | |
| Steepening | | | | |
| Flattening | | | | |
| Short rates up | | | | |
| Short rates down | | | | |

in € mln

| Risk Indicators | Risk Tolerance | Regulatory Limits |
|---|---|---|
| Maximum Negative Change in NII in 200bp parallel movement as percentage of Tier I capital | | 5.00% |
| Maximum Negative Change in the Fair Value of the Banking Book as percentage of Tier I capital | | 15.00% |

# Loans & Securities | Maturity Profile & WAL

**1** Loans (solo)

| < 10 Years | 10 – 15 Years | >15 Years |
|---|---|---|
| | | |

**2** Securities (group)

| < 10 Years | 10 – 15 Years | >15 Years |
|---|---|---|
| | | |
| | | |

- **WAL :** Weighted Average Life of an instrument taking into consideration principal payments
- **Modified Duration:** Expresses the change in the value of an instrument due to a change in interest rates
- **HQLA Liquidity tenor:** The time required to raise financing from HQLAs securities

# ECB's Main Pillars of Monetary Policy

| Rate | Apr 26 | Mar 26 | Δ |
|---|---|---|---|
| Main Refinancing Operations (MRO) | 2.15% | 2.15% | - |
| Marginal Lending Facility (MLFR) | 2.40% | 2.40% | - |
| Deposit Facility (DFR) | 2.00% | 2.00% | - |

## Key Points

The Governing Council decided in the context of ECB's Monetary Policy Meeting on **30.04.2026** the following:

- To keep the three key ECB interest rates unchanged as expected for a seventh meeting, unanimously, even though the possibility for a hike discussed at this time
- It's been said that ECB certainly moving away from the baseline, but Lagarde won't tell if closer to baseline or adverse
- Lagarde does not address the likelihood of a rate hike in June directly but believes six weeks until the next meeting will be the "right time" to assess and understand the outcome, or not, of the war in Iran
- Signalled the need for more time to assess the extent of the impact of the war in the Middle East, as the intensity and duration of the energy price shock will have implications on medium-term inflation

- **Economists forecast currently pricing :**

| ECB Deposit Facility Rate(%) | Q2 26 | Q3 26 | Q4 26 | Q1 27 | Q2 27 | Q3 27 | Q4 27 |
|---|---|---|---|---|---|---|---|
| Low | 2,00 | 2,00 | 2,00 | 2,00 | 2,00 | 2,00 | 2,00 |
| **Median** | **2,25** | **2,25** | **2,25** | **2,25** | **2,25** | **2,25** | **2,00** |
| High | 2,50 | 2,75 | 3,00 | 3,00 | 3,00 | 3,00 | 3,00 |
| **Average** | **2,14** | **2,24** | **2,26** | **2,28** | **2,27** | **2,21** | **2,21** |

Source: Bloomberg

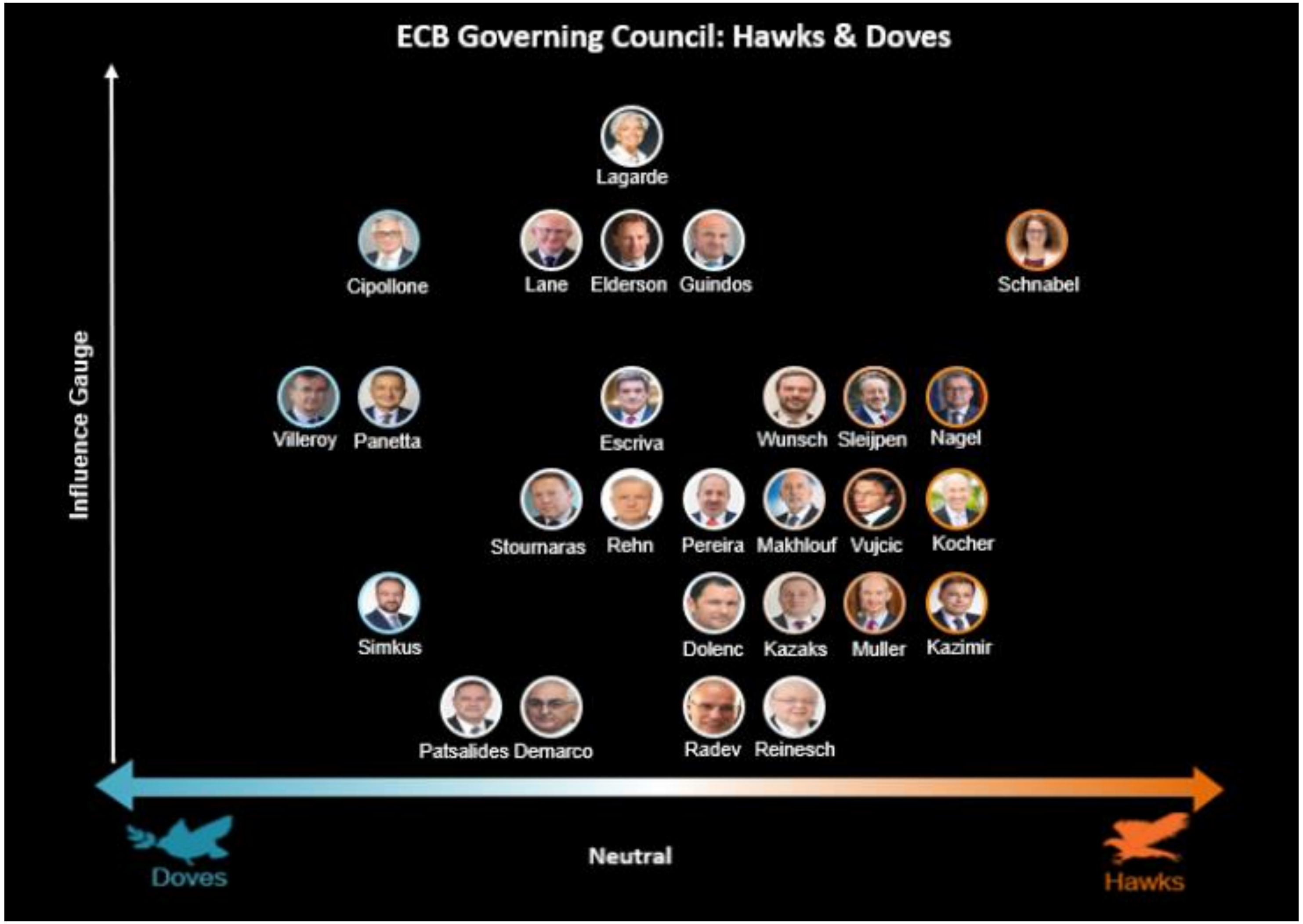
## Macroeconomic Projections

- Staff see headline inflation averaging **2.6% in 2026**, 2.0% in 2027 and 2.1% in 2028. Inflation has been **revised up** compared with the December projections, especially for 2026. This is because energy prices will be higher owing to the war in the Middle East
- For inflation excluding energy and food, staff project an average of 2.3% in 2026, 2.2% in 2027 and 2.1% in 2028
- Staff expect economic growth to average 0.9% in 2026, 1.3% in 2027 and 1.4% in 2028

| | March 2026 | | | December 2025 | | |
|---|---|---|---|---|---|---|
| Baseline scenario | 2026 | 2027 | 2028 | 2026 | 2027 | 2028 |
| Real GDP | 0.9 | 1.3 | 1.4 | 1.2 | 1.4 | 1.4 |
| HICP Inflation | 2.6 | 2.0 | 2.1 | 1.9 | 1.8 | 2.0 |

# ECB Spectrometer

- ✓ **Muller** stating that current ECB position allows to not rush in making decisions and see first the actual development
- ✓ **Stournaras** warns, if the shock turns out to be transitory and without significant second-round effects, no adjustment of monetary policy will be required
- ✓ ECB's **Guindos,** says that in the midst of a geopolitical conflict we have to keep a cool head. That's why we wait until an interest rate hike




- ✓ **Rehn** notes, decisions are based on what they assess to be the best for the European economy, price stability, sustainable growth and employment
- ✓ **Nagel** says ECB will need to increase interest rates in June if there isn't a significant change in the outlook

*Source: Bloomberg, ECB members said*

# Risk free rates curves

## Sovereign Bond Yields

**Current[1]**

| Tenor \ Curve | Euribor 3M | Greece | Italy | Spain | France | Belgium | Germany |
|---|---|---|---|---|---|---|---|
| 3M | 2,199 | 2,238 | 2,164 | 2,103 | 2,152 | 2,117 | 1,939 |
| 6M | 2,448 | 2,382 | 2,342 | 2,307 | 2,393 | 2,338 | 2,224 |
| 1Y | 2,661 | 2,392 | 2,643 | 2,575 | 2,651 | 2,593 | 2,490 |
| 2Y | 2,743 | 2,762 | 2,833 | 2,726 | 2,785 | 2,729 | 2,640 |
| 3Y | 2,744 | 2,861 | 2,954 | 2,800 | 2,872 | 2,818 | 2,650 |
| 4Y | 2,763 | 3,029 | 3,135 | 2,859 | 2,979 | 2,926 | 2,703 |
| 5Y | 2,793 | 3,141 | 3,222 | 2,973 | 3,099 | 3,041 | 2,746 |
| 6Y | 2,830 | 3,292 | 3,424 | 3,001 | 3,189 | 3,159 | 2,773 |
| 10Y | 3,005 | 3,804 | 3,858 | 3,497 | 3,692 | 3,612 | 3,035 |
| 15Y | 3,179 | 3,967 | 4,283 | 3,857 | 4,085 | 3,946 | 3,363 |
| 20Y | 3,229 | 4,150 | 4,427 | 3,947 | 4,270 | 4,137 | 3,476 |
| 30Y | 3,159 | 4,464 | 4,633 | 4,198 | 4,516 | 4,402 | 3,544 |

[1] As of 30/04/2026

**March 2026[2]**

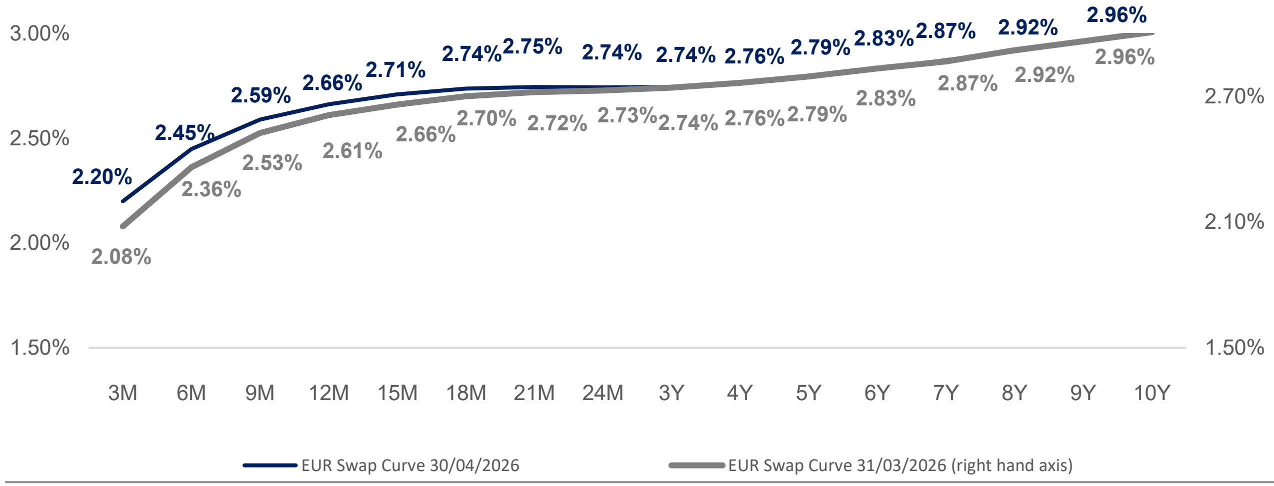
| Tenor \ Curve | Euribor 3M | Greece | Italy | Spain | France | Belgium | Germany |
|---|---|---|---|---|---|---|---|
| 3M | 2,079 | 2,205 | 1,960 | 2,095 | 2,201 | 2,105 | 2,135 |
| 6M | 2,361 | 2,346 | 2,317 | 2,273 | 2,413 | 2,349 | 2,246 |
| 1Y | 2,610 | 2,248 | 2,640 | 2,513 | 2,653 | 2,615 | 2,488 |
| 2Y | 2,728 | 2,789 | 2,883 | 2,731 | 2,810 | 2,738 | 2,613 |
| 3Y | 2,741 | 2,896 | 3,010 | 2,808 | 2,917 | 2,834 | 2,627 |
| 4Y | 2,764 | 3,064 | 3,197 | 2,873 | 3,026 | 2,945 | 2,684 |
| 5Y | 2,795 | 3,184 | 3,283 | 2,995 | 3,141 | 3,054 | 2,725 |
| 6Y | 2,833 | 3,336 | 3,486 | 3,015 | 3,227 | 3,167 | 2,753 |
| 10Y | 3,006 | 3,847 | 3,906 | 3,504 | 3,721 | 3,616 | 3,003 |
| 15Y | 3,181 | 4,011 | 4,305 | 3,853 | 4,106 | 3,943 | 3,319 |
| 20Y | 3,213 | 4,194 | 4,435 | 3,936 | 4,266 | 4,123 | 3,417 |
| 30Y | 3,110 | 4,449 | 4,626 | 4,164 | 4,456 | 4,363 | 3,457 |

[2] As of 31/03/2026

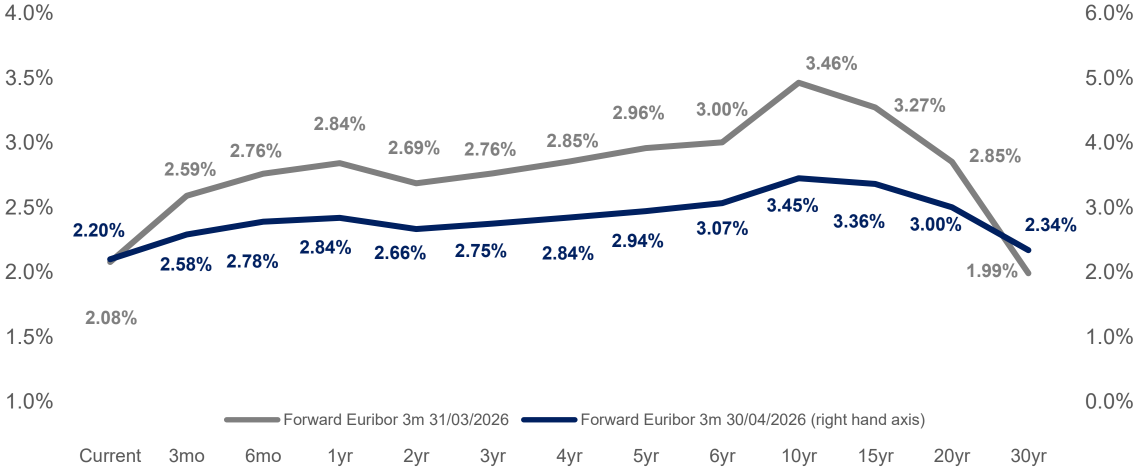
in basis points

200 250 300 400

## EUR Swap curve




## Forward Euribor 3m

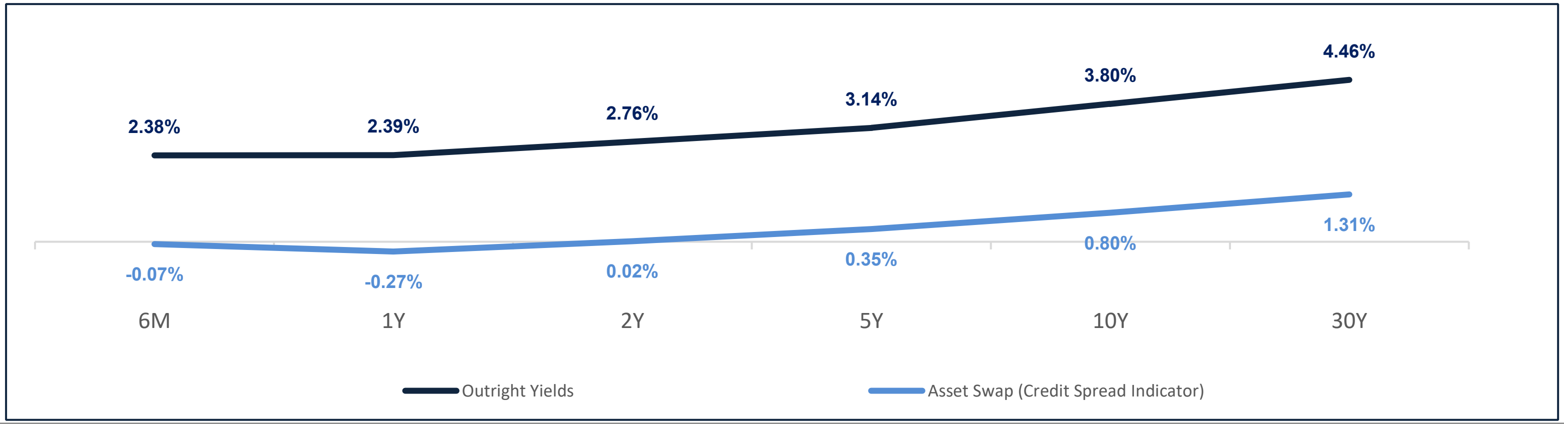


# Credit Spread on different asset classes

*All figures expressed in bps*

| | | | Apr 2026* | Mar 2026* | Dec 2025* | Sept 2025* | Δ (Current vs respective dates) Mar 2026* | Dec 2025* | Sept 2025* |
|---|---|---|---|---|---|---|---|---|---|
| Asset Swaps | Greece | 5Y | 35 | 39 | 14 | 35 | -4 | 21 | 0 |
| | | 10Y | 80 | 84 | 58 | 74 | -4 | 22 | 6 |
| | | 30Y | 131 | 134 | 105 | 138 | -3 | 26 | -7 |
| | Italy | 5Y | 43 | 49 | 36 | 47 | -6 | 7 | -4 |
| | | 10Y | 85 | 90 | 69 | 91 | -5 | 16 | -6 |
| | | 30Y | 147 | 152 | 117 | 160 | -5 | 30 | -13 |
| iTraxx | iTraxx Europe[1] | 5Y | 59 | 71 | 51 | 54 | -12 | 8 | 5 |
| | iTraxx Crossover[2] | 5Y | 293 | 353 | 244 | 262 | -60 | 49 | 31 |
| | iTraxx Europe Senior Financial[3] | 5Y | 63 | 78 | 54 | 57 | -15 | 9 | 6 |
| | iTraxx Europe Subordinated Financial[4] | 5Y | 103 | 134 | 93 | 98 | -31 | 10 | 5 |
| CLO | AAA | | 129[6] | 130[5] | 128 | 130 | -1 | 1 | -1 |
| | AA | | 185[6] | 200[5] | 195 | 190 | -15 | -10 | -5 |

*Greek Yield Curve[7]*




[7] *As of 30/04/2026*

**Respective dates for April as of 30/04/2026, March as of 31/03/2026, December as of 31/12/2025, September as of 30/09/2025*

*[1] The iTraxx Europe Index comprises CDSs of investment grade European corporate entities*

*[2] The iTraxx Europe Crossover Index comprises CDSs of the most liquid sub-investment grade European corporate entities*

*[3] The iTraxx Europe Senior Financial Index comprises CDSs of the financial entities from the iTraxx Europe Index referencing senior debt*

*[4] The iTraxx Europe Subordinated Financial Index comprises CDSs of the financial entities from the iTraxx Europe Index referencing subordinate debt*

*[5] The indicative (average) spread over Euribor as of 31/03/2026*

*[6] The indicative (average) spread over Euribor as of 30/04/2026*

# Contents

# Supervisory Framework & Banking Union

### Supervisory framework as an input to banks' decision-making

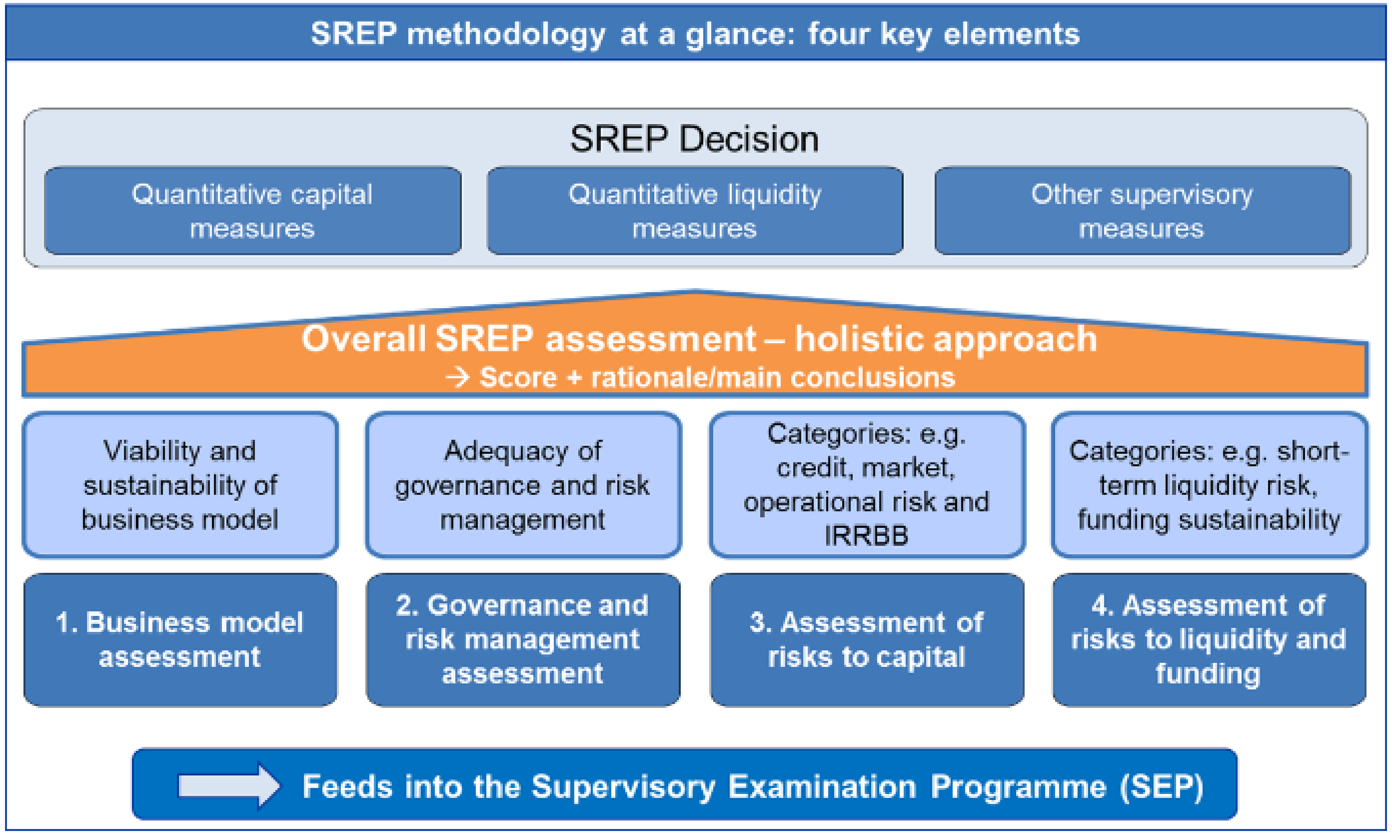
- EU prudential framework is built on binding rules and supervisory expectations (e.g., CRR/CRD, informed by international standards such as Basel).
    - Basel provides the global theory and framework, while CRR/CRD applies those rules practically into European law.
    - CRR (Capital Requirements Regulation): Directly applies as law across all EU member states without requiring individual countries to pass local legislation. It details exactly how banks must calculate their capital and risk.
    - CRD (Capital Requirements Directive): Sets overarching goals that EU countries must transpose into their own national laws. It primarily deals with corporate governance, supervisory powers, and capital buffers.
- The framework is not "compliance-only": it shapes risk appetite, capital planning, governance and operating model choices, because supervisors assess risks regularly and can require actions to protect financial stability.
- ECB Banking Supervision operates within EU banking law, applying methodologies and tools (e.g., on-site inspections, internal model investigations, targeted reviews, authorisations) that translate rules into supervisory outcomes impacting bank decisions.

### Common Supervision (SSM) and Common Resolution (SRB/SRM)

- Since November 2014, the Single Supervisory Mechanism (SSM) has provided a common prudential supervisor for the euro area – bringing together the ECB and national supervisory authorities to safeguard the stability of the European banking system.
- The ECB directly supervises significant banks, while national authorities supervise less significant institutions under a coordinated European approach.
- In parallel, the Single Resolution Board (SRB) is the central resolution authority within the Banking Union; together with national resolution authorities it forms the Single Resolution Mechanism (SRM).
- The SRM provides centralised and independent decision-making to plan for and manage bank failures, protecting financial stability, critical functions and the taxpayer.
- The Single Resolution Fund (SRF) – funded by bank contributions – supports the effective application of resolution tools, helping ensure taxpayers are not first in line in a crisis

# SREP | Supervisory methodology

- The Joint Supervisory Teams (JSTs) made up of supervisors from the ECB and National Competent Authorities (NCAs) regularly assess and measure the risks for SSM significant institutions.
- The Supervisory Review and Evaluation Process (SREP) assesses the way a bank deals with its risks and the elements that could adversely affect its capital or liquidity, now or in the future.
- The SREP is based on 4 elements:
    1. a **business model** and **profitability** assessment
    2. an **internal governance** and **risk management** assessment
    3. an assessment of **risks to capital** on a risk-specific basis (i.e. CR, MR, OR, IRRBB and the institution's internally identified risks in normal scenarios and under stressed conditions)
    4. an assessment of **risks to liquidity and funding** on a risk-specific basis (i.e. short-term funding, long-term funding and the institution's internally identified risks in normal scenarios and under stressed conditions)




## Overall assessment

- The assessment of the four elements is then combined in an overall SREP assessment, reflecting the "supervisory view", which is summarised in an **overall SREP score** (between 1 and 4) and a main rationale which explains why the score in question has been assigned.
- As an outcome of the assessment, banks may be asked to implement a wide range of measures to address any capital and liquidity shortcomings, as well as other qualitative measures.
- Banks receive the outcome of the SREP assessment via a **formal SREP decision**
- The individual SREP decision supports other supervisory activities. It feeds into the **Supervisory Examination Programme (SEP)**, which consists of strategic and operational planning for the upcoming supervisory cycle. Moreover, it has a direct impact on the frequency and depth of the bank's off-site and on-site supervisory activities.

# SREP | The overall SREP process (1/2)

## 1. Preparation: information sources

**Key sources of <u>quantitative</u> information**

i. risk indicators based on FINREP and COREP data
ii. risk indicators from sources other than FINREP/COREP
iii. indicators of economic and market conditions (GDP, sector NPLs, market volatility, etc.)
iv. banks' internal information (ICAAP, ILAAP, including stress tests, internal reports, etc.)
v. financial statements, Pillar 3
vi. peer group indicators
vii. supervisory stress test results
viii. market views (external ratings, investors' quantitative analyses, etc.)

**Key sources of <u>qualitative</u> information**

i. relevant documentation, such as policy documents
ii. supervisory findings (inspection reports, meeting reports, etc.)
iii. institutions' internal documents (ICAAP/ILAAP, risk appetite, financial statements, management body memos, organisational charts, internal audit reports, whistle-blower reports, etc.)
iv. reports on the environment in which they operate: risk trends, new areas of focus, analysts' reports, rating agencies' reports, equity analyst recommendations, news, etc.

## 2. Evaluation: overview

The four (4) Risk elements are assessed from both a quantitative (**risk level**) and a qualitative (**risk control**) perspective:

- A **risk level (RL) assessment** refers to the intrinsic riskiness of an institution's portfolios and takes account of several different aspects, including the institution's position relative to its peers and macro factors that may influence its risk profile
- A **risk control (RC) assessment** assesses the adequacy and appropriateness of:
  a) an institution's internal governance/ risk management and
  b) the risk management and controls in place (i.e. how institutions monitor their risk exposures, adequacy of their internal policies, organisation and limits)

*Figure 1: The overall SREP process*

# SREP | The overall SREP process (2/2)

## 3. Decision: SREP decisions and their communication

### SREP decision

- **Own funds requirements**
  - Total SREP capital requirement composed of Pillar 1 minimum own funds requirements (8%) and additional own funds requirements (P2R)
  - Combined buffer requirements
- **Institution-specific quantitative liquidity requirements**
  - LCR higher than the regulatory minimum
  - Higher survival periods
  - National measures
- **Other qualitative supervisory measures**
  - Additional supervisory measures such as the restriction or limitation of business, a requirement to reduce risks, restrictions on or prior approval for the distribution of dividends, and the imposition of additional or more frequent reporting obligations
  - Pillar 2 guidance expressed as a CET1 ratio add-on

### Capital requirements

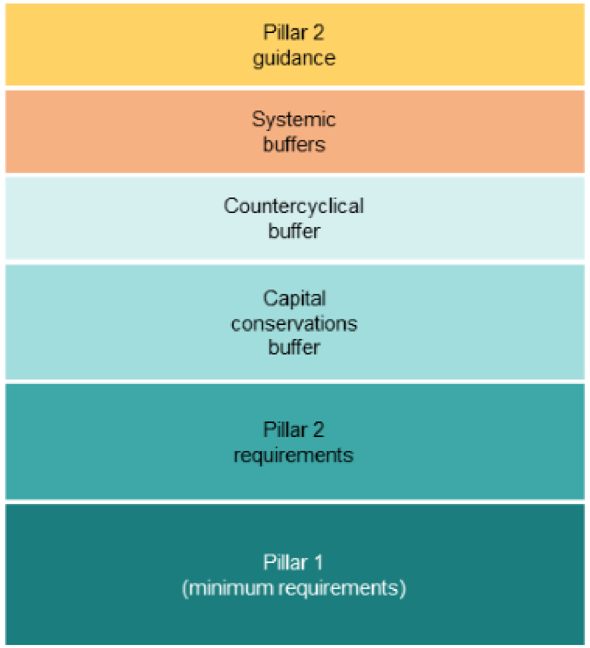
If a SREP assessment shows that the arrangements, strategies, processes and mechanisms implemented by the credit institution and the own funds held by it do not ensure sound management and coverage of risks, the ECB may impose a P2R and Pillar 2 guidance (P2G)

- ✓ The ECB sets P2G above the level of binding capital (minimum and additional) requirements and on top of the combined buffers.
- ✓ If a bank does not comply with its P2G, this will not result in automatic action by the supervisor and will not trigger any limitations on the distributable amount.
- ✓ However, the ECB will closely monitor institutions that do not comply with P2G and will consider whether – and if so, which – measures are to be taken to address the specific circumstances at the bank
- ✓ Banks also need to consider the systemic buffers (O-SII and systemic risk buffers) and the countercyclical buffer in the capital stack (**Figure 2**)

### Supervisory dialogue process

The core objective of the SREP supervisory dialogue is for the Joint Supervisory Team (JST) to communicate the draft outcomes of the SREP assessment to the institution, explaining the quantitative and qualitative outcomes and expectations that will be included in the SREP decision

***Figure 2: Capital stack***



# SSM Supervisory Priorities for 2026 - 2028

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## Supervisory priorities for 2026-2028 addressing identified vulnerabilities in banks for all European Banks

- Claudia Buch, Chair of the Supervisory Board of the ECB, presented on 18 November 2025 the supervisory priorities for the next three years
- The supervisory priorities for 2026-2028 also reflect the **outcome of the SREP 2025 cycle** and are centered on:
  - Strengthening banks' resilience to **geopolitical risks** and macro-financial uncertainties,
  - Strengthening banks' operational resilience and fostering robust ICT capabilities

The reduction of the SSM Supervisory Priorities from three (3) (*2025-2027*) to two (2) (*2025-2027*) demonstrates that greater weight should be given to the updated priorities

### Priority 1:

**Strengthening banks' resilience to geopolitical risks and macro-financial uncertainties**

*SSM Supervisory Priorities for 2025 –2027* were focused on addressing deficiencies in credit risk management frameworks

- **Credit Risk**
  - NEW — Ensure **prudent risk-taking** and **sound credit standards**
- **Multiple risk categories**
  - NEW — Ensure **adequate capitalisation** and **consistent implementation of CRR III**
  - Ensure prudent management of **climate and nature-related risks**

### Priority 2:

**Strengthening banks' operational resilience and fostering robust ICT capabilities**

- **Operational Risk**
  - Implement robust and resilient **operational risk management frameworks**
- **Governance**
  - Remedy deficiencies in **risk reporting capabilities** and **related information systems**
- **Multiple risk categories**
  - NEW — **Medium to long-term priority strategy** focusing on banks' **digital** and, in particular, **AI-related strategies, governance and risk management**

*SSM Supervisory Priorities for 2025 –2027* were focused only on addressing deficiencies in digital transformation strategies

# 2025 SREP aggregate results of all EU banks

- In the 2025 SREP cycle, the **average overall SREP score improved further to 2.5 (2.6 in 2024)**
  - The majority of institutions (75%) were given the same overall SREP score as in 2024, while 19% recorded an improvement and only 6% experienced a deterioration

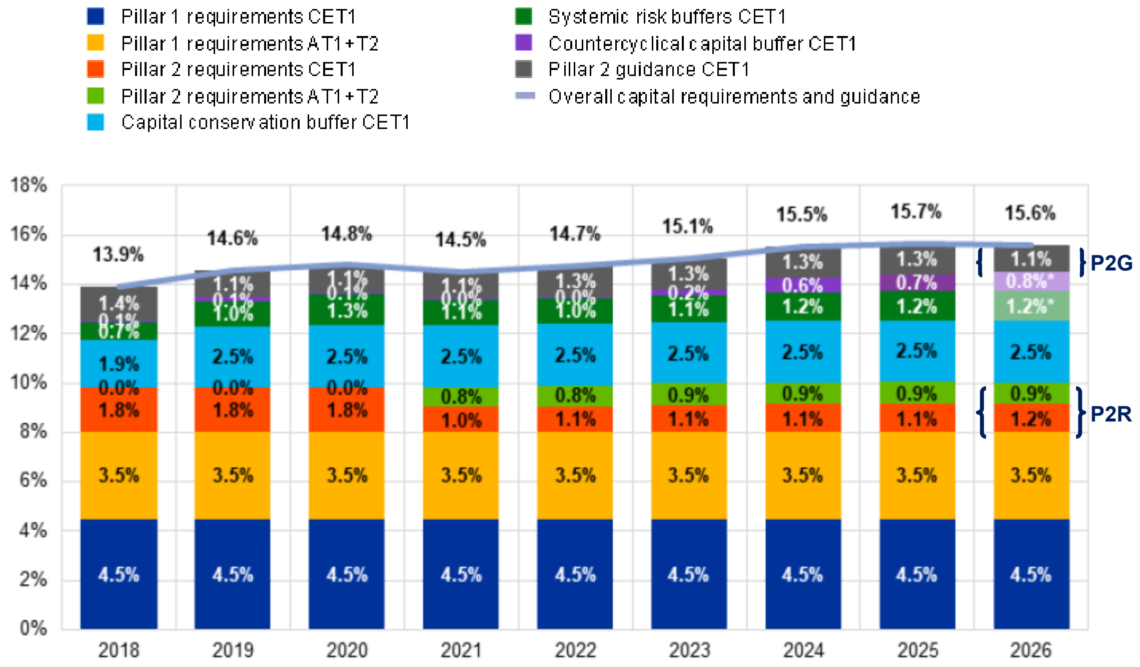
## Quantitative measures

- **Total capital requirements**
  - The **overall capital requirements (including the P2G) decreased slightly to 15.6%**, largely due to the decrease of the P2G (**Chart 1**)
- **Pillar 2 Requirement (P2R)**
  - **Average P2R for 2026 remained the same to 2.1%**
  - P2R leveraged finance risks add-on: For 6 banks, the P2R includes a leveraged finance add-on of, on average, 16 bps.
  - P2R-Leverage Ratio add-on: For 14 banks, a P2Rleverage ratio add-on was applied, which amounted to, on average, 16 bps.
  - P2R NPE add-on: **10 banks** were subject to P2R add-ons
- **Pillar 2 Guidance (P2G)**
  - **Decrease in the P2G, from 1.3% to 1.1%**
- **Liquidity**
  - Five quantitative measures for liquidity risk were imposed on **4 banks**

## Qualitative measures

- Qualitative measures had been issued primarily to address deficiencies in the following areas:
  - **credit risk** (i.e. credit risk monitoring and the management of specific portfolios)
  - **internal governance** (i.e. composition of governance bodies)
  - **capital adequacy** (i.e. enhancement of the stress testing framework in ICAAP)
  - **operational risk** (i.e. IT business continuity)

***Chart 1 - Evolution of overall capital requirements and P2G – the total capital stack***





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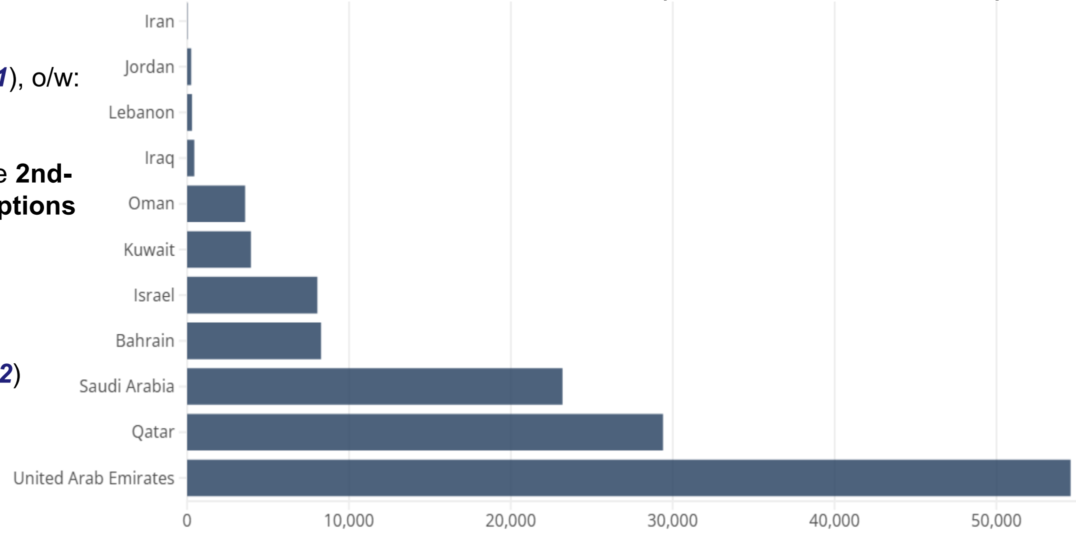
# EBA | Risk Dashboard as of Q4 2025

The EBA published on 23 March 2026 the **Risk Dashboard as of Q4 2025** which is based on a sample of Risk indicators (KRIs) from 161 EU/EEA institutions.

Main points:

- EU/EEA banks' direct exposures to counterparties located in the **Middle East** totaled to **EUR 132 bn** at FY 2025 (***Chart 1***), o/w:
    - EUR 47 bn in loans and advances to banks and other financial corporations and
    - EUR 33 bn to non-financial corporations (NFCs)
- While exposures remain limited (less than 0.5% of total EU/EEA banks' assets), the escalation of tensions could generate **2nd-round effects**, notably via **higher energy prices**, **inflationary pressures**, **weaker global economic growth** and **disruptions to supply chains**
    - These effects would be particularly in energy-intensive sectors such as **transport**, **construction** and certain **manufacturing** segments
- **Capital position: CET1 ratio** for EU/EEA banks remained unchanged at **16.3%**
    - RWAs increased by just over 1% in 2025, reaching EUR 10.2 trillion in Q4 (Main driver: Operational risk - ***Chart 2***)
- **Liquidity**: Liquidity conditions strengthened further
    - **LCR** rose to **163.1%** (from 160.7% in Q3 2025), and
    - **NSFR** was reported at **126.9%** (compared to 126.7% in Q3)
- **Leverage ratio** increased to **6.0%** (5.9% in Q3)

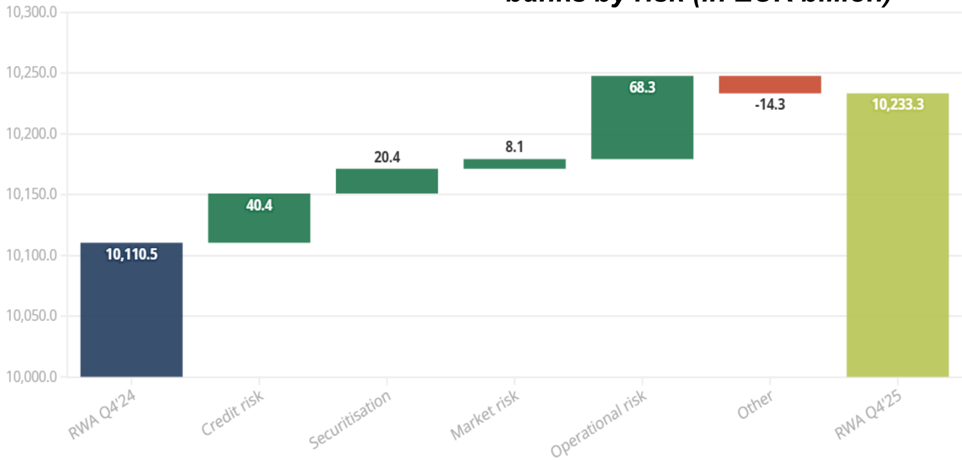
***Chart 1 - EU/EEA Banks' Direct Exposures to Counterparties Domiciled in the Middle East (Q4 2025 – in EUR million)***




| | European Average 31/12/2025 | European Average 30/09/2025 | Δ | Alpha Bank 31/12/2025 | Alpha Bank 30/09/2025 | Δ |
|---|---|---|---|---|---|---|
| **CET1 ratio FL** | 16.3% | 16.3% | *0.0%* | 15.0% | 15.7% | *-0.7%* |
| **Tier I capital ratio FL** | 17.8% | 17.8% | *0.0%* | 17.2% | 17.9% | *-0.7%* |
| **Total capital ratio FL** | 20.4% | 20.4% | *0.0%* | 20.2% | 21.0% | *-0.8%* |
| **NPE Ratio** | 1.6% | 1.6% | *0.0%* | 4.6% | 4.5% | *0.1%* |
| **Coverage Ratio for NPEs** | 41.4% | 41.9% | *-0.5%* | 28.4% | 34.7% | *-6.3%* |
| **RoE** | 10.4% | 10.7% | *-0.3%* | 11.2% | 11.0% | *0.2%* |
| **RoA** | 0.73% | 0.75% | *-0.02%* | 1.29% | 1.28% | *0.01%* |
| **Leverage Ratio** | 6.0% | 5.9% | *0.1%* | 7.2% | 7.5% | *-0.3%* |
| **LCR** | 163.1% | 160.7% | *2.4%* | 184.5% | 194.7% | *-10.2%* |
| **NSFR** | 126.9% | 126.7% | *0.2%* | 125.5% | 125.1% | *0.4%* |

**According to EBA Interactive Dashboard Q4 2025, the Coverage Ratio is referring to the ratio of non-performing loans and advances (NPL Ratio)*

***Chart 2 - Y-o-Y changes in risk-weighted assets of EU/EEA banks by risk (in EUR billion)***





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# Contents

# EU-wide Stress Test

## What is the objective of the EU-wide stress test?

- The EU-wide stress test is part of the supervisory toolkit used by Competent Authorities (CAs) to:
  - assess the resilience of EU banks to severe shocks,
  - identify residual areas of uncertainties,
  - as well as feed into the supervisory decision-making process to determine appropriate mitigation actions.
- Allows CAs to assess if the capital banks have accumulated in recent years, is sufficient to cover losses and support the economy in stressed times.
- Fosters market discipline through the publication of consistent and granular data on a bank-by-bank level, as it shows how banks are affected by common shocks.

## …how does the stress test work in practice?

- The EU-wide stress test is mainly a bottom-up stress test. The EBA has developed a common methodology, which is applied by all banks using their internal models.
- The common methodology allows CAs to undertake a rigorous assessment of banks' resilience under stress.
- Methodological constraints in several areas limit banks' degree of freedom and ensure a level playing field via the comparability of outcomes across banks.
- Banks' results are checked, and quality assured by CAs

# EU-wide Stress Test 2025 Official Results

## Overview

- Banks **start with higher profitability and capital** compared to recent years.
- Capital levels remained strong in 2024, with the **CET1 capital ratio rising to 16%.**
- Impact from **CRR3 restatement** at end-2024 is **-129bps** on fully loaded basis.
- **Asset quality is stable**, while it seems that credit quality shows some signs of deterioration. At end of 2024, the NPL ratio stood at 1.9%, only marginally up compared to the last 2 years.
- Results indicate the **banks' resilience to a severe hypothetical scenario** covering a severe recession with escalating geopolitical tensions.

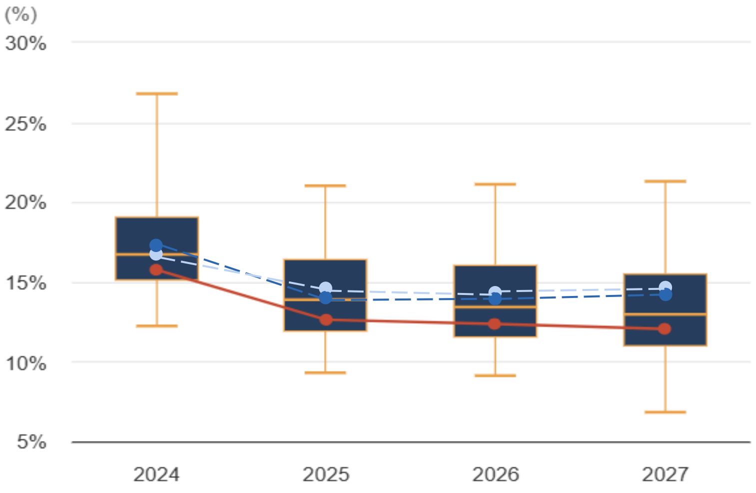
| | | 2025 ST - CET1 capital ratio | | | |
|---|---|---|---|---|---|
| | | SP 2024 | Baseline 2027 | Adverse 2027 | Delta 2024-27 |
| EU average | TR | 15.76% | 16.93% | 12.06% | -370 bps |
| | FL | 14.38% | 15.65% | 11.34% | -304 bps |
| Alpha Bank | TR | 16.24% | 18.58% | 14.15% | -209 bps |
| | FL | 15.91% | 18.30% | 13.94% | -197 bps |
| | | 2023 ST - CET1 capital ratio | | | |
| | | SP 2022 | Baseline 2025 | Adverse 2025 | Delta 2022-25 |
| EU average | TR | 15.18% | 16.33% | 10.39% | -479bps |
| | FL | 14.97% | 16.33% | 10.38% | -459 bps |
| Alpha Bank | TR | 13.24% | 14.14% | 8.86% | -438bps |
| | FL | 11.93% | 14.14% | 8.86% | -307 bps |

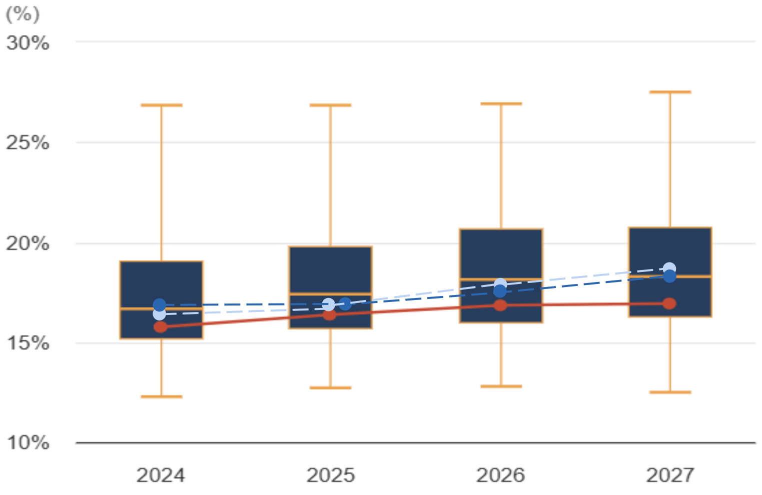
## Adverse scenario

- Banks end the exercise with a **projected CET1 ratio above 12%** as of end-2027, showing a **depletion of 370 bps.** On average, the **maximum depletion occurs in the third year** of the horizon (2027).
- Under the adverse scenario, **net earnings increase the capital ratio by 509 bps at the end of 2027**, substantially more than in the last exercise (365 bps), showing a better income generation capacity.
- The negative impact on the CET1 ratio from **credit losses (437 bps)** is larger than in the previous stress test.

## Baseline scenario

- Weighted average **CET1 ratio increases from 15.8%** at the end of 2024 to **16.9 % at the end of 2027**.
- The increase by **117 bps** on a transitional basis is similar to the one of the 2023 EBA ST exercise (at a level of 116bps)




**Legends:** *CET1 TR - Alpha Bank* *CET1 TR - Average GR* *CET1 TR - Average EU*



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# ECB | 2026 Geopolitical Risk Reverse Stress Test

## 1 Background

- The recent rise in geopolitical risks is a major concern for the macroeconomic outlook and one of the **supervisory priorities** of the SSM for the period **2025 –2027** (Priority No1)
- ECB has in the past used insights from thematic stress tests to advance supervisory expectations and identify good market practice
- The **2025 EU-wide stress test** has already included a severe adverse scenario based on geopolitical risks and required banks to estimate sectoral losses. The results highlighted higher impairments in the sectors most exposed to geopolitical turbulences

## 2 Key features of the Stress Test

- Banks must design a scenario that leads to a **pre-defined <u>capital depletion of 300 bps</u> via financial risks**
- Banks should use existing internal stress test framework as for **ICAAP**
- The scenario's impact on liquidity and non-financial risks is also to be specified
- ECB defines geopolitical risk and the transmissions channels to be considered

## 3 Overall process

- The stress test is embedded in the Short-Term Exercise (STE) and ICAAP
- **<u>Results will feed into SREP 2026</u> (no impact to P2G)**

## 4 Template overview

**Template - One-off STE template**

- **Capital Projections** - Yearly capital and risk-type specific RWA projections
- **Macroeconomic and macro-financial assumptions underlying the projections**
- **Yearly profitability projections** for major P&L items

**Additional Questionnaire**

- Banks are required to complete a questionnaire to provide **qualitative** and **quantitative information** on their approach and interpretation of the results

## ***Timeline***

| | |
|---|---|
| 22nd September 2025 | Draft templates & methodology |
| 10th October 2025 | End of ECB's consultation |
| November 2025 | Selection of participating banks |
| 16th December 2025 | Launch of the Exercise (Kick-off Workshop) |
| January 2026 | Final methodology |
| 16th March 2026 | 1st Full Data Submission (FDC) |
| Beginning of April 2026 | Potential resubmission cycle |
| End of July 2026 | Bank – specific reports / Publication of results |

**SREP 2026 Decision**

# 2022 Climate Risk Stress Test

ECB considers this Stress Test ('ST') **as a learning exercise for both banks and supervisors**

Key objectives are to:

- Identify weaknesses, industry best practices and the challenges banks are facing
- Help enhance data availability and quality
- Allow supervisors to better understand banks' climate risk stress testing frameworks

**2022 Climate ST**

Content & Impact of the Exercise

- Results will be **integrated in SREP via a qualitative approach**
- **No direct capital impact** via the Pillar 2 Guidance (P2G) is envisaged
- **Possible indirect impact** via the SREP scores on Pillar 2 Requirements (P2R)

+

**Other expected ECB activities on Climate Risks**

- **Thematic Review of banks' climate-related and environmental risk management practices** (banks' strategy, governance and risk management framework)
- As part of the broader **Commercial Real Estate Targeted Review**, climate-related risks in commercial real estate portfolios will also be assessed **for a small sample of banks**, supplementing the Thematic Review